

MINUTES OF THE
JOINT CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
WEDNESDAY, FEBRUARY 4, 2009, 8:00 A.M.
Room 250 House Building, State Capitol Complex

Members Present: Sen. Wayne L. Niederhauser, Co-Chair
Rep. Stephen D. Clark, Co-Chair
Rep. Fred R. Hunsaker
Rep. Laura Black
Rep. Gage Froerer
Rep. Brad L. Dee
Rep. Janice M. Fisher
Rep. Craig A. Frank
Rep. Stephen E. Sandstrom

Members Excused: Sen. Brent H. Goodfellow

Members Absent: Sen. Curtis S. Bramble

Staff Present: Steve Allred, Fiscal Analyst
Richard Amon, Fiscal Analyst
Allison Volk, Committee Secretary

Public Speakers Present: Mike Perez, Vice President for Administrative Services, UU
Gordon Crabtree, Chief Financial Officer, University of Utah Hospital
Val Peterson, Vice President for Administration, Utah Valley University
Michael Kennedy, Special Assistant to the President for Federal and State Relations, USU
Wes Curtis, Assistant to the President, SUU
Dennis Kellen, Executive Director, DABC
John Freeman, Deputy Director, DABC
Dick Buehler, Director of Forestry, Fire and State Lands
Dan Clark, Construction Manager, Utah State Parks and Recreation
Greg Sheehan, Administrative Services Chief, Utah Division of Wildlife Resources
Mike Canyon, Habitat Chief, Utah Division of Wildlife Resources
Dennis McFall, Deputy Director, Department of Veterans Affairs
Bill Greer, Director of Administrative Support and Chief Financial Officer, Department of Workforce Services

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Clark called the meeting to order at 2:15 p.m.

1. Other Funded Capital Development Requests

Steve Allred, gave an overview of the Other Funded Capital Development Requests. Mr. Allred referred to a spreadsheet that references the projects. He also gave a description and procedures in

regards to Other Funded Capital Development Requests.

Sen. Niederhauser, expressed his frustration at HB3 which lowers funds for capital improvement projects. He stated that it is important to have capital improvement and maintenance funding. He further stated his concern about funding any capital development projects until the Capitol Improvement funding issue gets resolved.

2. University of Utah Projects

Mike Perez, Vice President for Administrative Services, University of Utah, described the project and need for an Ambulatory Care Complex. the

Gordon Crabtree, Chief Financial Officer, University of Utah Hospital, stated the approval they are requesting today is for the design component of the project and next year they will request funds to build the project.

Mr. Perez, reviewed the cost and description of the David Eccles School of Business. He stated that the goal is to secure state funding then raise donation money for the rest. He requests authorization of \$64,445,000 of donations to build the project.

Mr. Perez, described the project to renovate the Kennecott Building and the benefits of remodeling. The University is requesting \$8,689,000 in donations for the remodel.

Mr. Perez, reviewed the Sorenson Arts and Education project along with its possible benefits. The University is requesting authority to build the complex using \$30,737,000 in of donations.

Mr. Perez, detailed the Meldrum Civil Engineering addition and the benefits of the addition to the Engineering Department. The University is requesting authorization to build the building with \$4,477,500 of donations.

Sen. Niederhauser, stated that the O & M costs should go down with an upgraded or new building.

Mr. Perez, stated that O & M costs are not indexed for inflation.

Sen. Niederhauser, suggested that there should be a new approach to O & M funding.

Mr. Allred, clarified that 60% of O & M is made up of people and 40% for non human resources. The Legislature funds the personnel side of the O & M through cost-of-living adjustments; however, it typically does not fund non-personnel related inflation.

Mr. Perez, described the transit oriented development called the Universe Project and its benefits to the University of Utah. The financing for the project is paid for by the developer and the University requests authorization to move forward with the \$71,000,000 project.

Rep. Fisher, expressed major concern about the project and urged the University to have clearly defined specifications for the project.

Sen Niederhauser, asked for further explanation of zoning through the University campus.

Mr. Perez, stated that it is part of the state system and therefore exempt from codes of Salt Lake City.

Rep. Froerer, stated he liked the idea of the private/public funding concept and encouraged other projects to use that model.

Mr. Perez, reviewed the South Campus Housing Project and project justification. The University is asking for \$48,000,000 in revenue bonds.

Mr. Perez, detailed the Neuropsychiatric Institute and need for expansion. The University is seeking \$45,000,000 in revenue bond authority.

Mr. Perez, stated the purpose and need of the USTAR Green Field Infrastructure. The University is asking for \$44,000,000 in revenue bonds.

3. Utah Valley University Projects

Val Peterson, Vice President for Administration, Utah Valley University, described the Economic Development Building and the need for it. Mr. Peterson is requesting authorization to use \$2,650,000 in grants and university funds for the building.

Mr. Peterson, detailed the Utah Valley University athletic track and requested \$1,200,000 in authorization to use donations and university funds for this project.

Mr. Peterson, stated the plan and purpose of an intramural playing field for Utah Valley University and requested authorization of the use of \$600,000 of university funds for the project.

4. USU Bingham Entrepreneurship and Energy Research Center

Michael Kennedy, Special Assistant to the President for Federal and State Relations, USU, explained the USU Bingham Entrepreneurship and Energy Research Center along with the need for one at USU. Mr. Kennedy requested \$3,800,000 in revenue bond authorization.

5. SUU Baseball and Soccer Complex

Wes Curtis, Assistant to the President, SUU, described the SUU Baseball and Soccer Complex project and its advantages to SUU. The request is to use \$2,000,000 in donations for the project.

6. DABC Warehouse Expansion and property purchase

Dennis Kellen, Executive Director and John Freeman, Deputy Director, DABC described the property purchase and expansion warehouse project along with the need for it. The DABC is requesting the use of \$3,800,000 in revenue bonds to pay for 10 acres of property and \$19,904,000 in revenue bonds to pay for the warehouse expansion.

7. Department of Natural Resources Projects

Dick Buehler, Director of Forestry, Fire and State Lands, reviewed a handout that explained the Interagency Fire Dispatch Center and the need for it. The Department of Natural Resources is requesting approval to contribute property. The federal government will fund construction costs.

Dan Clark, Construction Manager, Utah State Parks and Recreation, detailed the Vernal Curation Facility and requested approval for the project to be constructed with federal funds.

Greg Sheehan, Administrative Services Chief, and Mike Canyon, Habitat Chief, Utah Division of Wildlife Resources presented the plan and purpose of the Great Basin Seed Warehouse also to be constructed with federal funds.

8. Veterans Affairs Cemetery Project

Dennis McFall, Deputy Director, Department of Veterans Affairs, stated the details of the Veteran Affairs Cemetery Project. The project is funded by Federal Grants but Veterans Affairs will contribute 10% , which is required up front for planning and design.

9. Department of Workforce Services Property Sale

Bill Greer, Director of Administrative Support and Chief Financial Officer, Department of Workforce Services, requested the sale of four pieces of property (located in Logan and Salt Lake City) owned by the department.

The meeting was adjourned at 4:20 p.m. by Co-Chair Clark.

The minutes were reported by Allison Volk, Secretary.

Sen. Wayne L. Niederhauser, Co-Chair

Rep. Stephen D. Clark, Co-Chair